

Edinburgh Tram SDS Contract – Weekly Report

1 Client Relations

For the second week running the emphasis has been on the Preferred Bidder meetings with BBS. I have had to raise concerns with *tie* again over the conduct of these meetings and have now written formally to Matthew Crosse to highlight the disruption caused to our activities by the continual rescheduling of dates at very short notice. I have also asked Matthew for a status report on *tie*'s and BBS's view of progress made to date. I have asked for this in the context of SDS refining its input to the remaining meetings to ensure that *tie* meets its objectives but in reality I am not convinced that any significant value has been delivered over the last two weeks. PB requested a meeting with Matthew and Geoff Gilbert on Tuesday and Jason Chandler and I aired our concerns fully and provided some recommendations for improvements to the process. (To reinforce our proactive approach – this accepted by Matthew). From the discussion my suspicion that no-one in *tie* had actually read the technical content of the Civils offer from BBS was confirmed. On that basis we offered that SDS would review the technical offer in order that the remaining clarification meetings could be better targeted. This offer was accepted and SDS was duly provided with a copy of the BBS technical offer on Tuesday evening. A quite remarkable set of circumstances.

I was invited to a *tie*-hosted dinner with the BBS Project Director on Tuesday evening. To date PB has not attended any meetings with representatives of BBS without *tie* also being present. I see this as prudent in the context of a Preferred Bidder evaluation which has yet to conclude and which could be halted and the other Bidder reinstated.

My weekly meeting with Willie Gallagher did not go ahead this week due to Willie being away on a visit to Dublin.

2 Commercial

2.1 Contract

tie is now starting to review the likely position on design completion at the proposed point of novation. Geoff Gilbert has stated that in his view the contract must be novated at the same time as the Infraco contract is signed but he is now working with *tie* legal (DLA) in an attempt to devise a mechanism for creating an additional contract between PB and *tie* to allow other services to be provided independently of the PB /Infraco contract. Geoff is nervous that delays to the process could occur and PB holds an ace card here in terms of *tie* needing our timely co-operation if the process of novation is to be completed in line with business case and funding constraints.

tie has now confirmed its agreement to provide the clauses from the Infraco Contract to PB in line with the prerequisite for signature to the novation agreement

2.2 Change Requests

Nothing to report.

2.3 Claim for Prolongation

With the hiatus on Preferred Bidder negotiations Geoff Gilbert has again had to delay issuing the final draft of the Legal Agreement for settlement of the PB claim. Despite the delay to signature PB has prepared the latest Application for Payment to include the first £500k tranche as advised last week.

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2.4 Cashflow

Nothing to report this week.

3 Operations

3.1 Detailed Design

I have alerted *tie* as reported above on the Impact of the current round of BBS meetings on the completion of the remaining detailed design packages.

Completion of the remaining structures designs remains the key issue, and PB and Halcrow resources are being re-targeted to achieve timely completion.

On the subject of the Picardy Place junction design, CEC has yet to arrive at a final decision. We are already past the point at which any redesign can be accommodated within the current SDS plan and this is likely to provide a test case for *tie* /SDS /BBS design work-in-progress negotiations ahead of novation.

3.2 MUDFA

One of the two planned IFC packages was delivered this week. The second, delayed due to Scottish Power, will now be delivered early next week and a further package is also due next week.

3.3 Procurement

As reported above, the BBS technical Offer has now been provided by *tie*. The procurement process continues at high intensity through the Preferred Bidder clarification meetings.

One point worthy of note is Siemens' very enthusiastic reception of our Roads design presentation on Thursday. Siemens is now enquiring whether we have resources available to carry out work for Siemens on projects other than Edinburgh Tram. (This provides further endorsement of the quality of the designs prepared by PB /Halcrow and Jason Chandler's achievement in the direction of the design production and review process is to be commended.)

4 Other Issues

Nothing to report

5 Weekly Look-ahead

- Monday – Friday. Daily technical clarification meetings with BBS.
- Tuesday. Structures Value Engineering meeting with BBS.
- Thursday. Weekly meeting with Willie Gallagher and SCR.
- Friday. Weekly critical issues meeting. (Chair D Crawley, *tie*).